

MINUTES OF THE HOUSING COMMITTEE
October 14, 2019
East Conference Room

Present: Councilmembers Rader, Anderson, O'Malley

Also Present: Program Manager Mary Leigh, Assistant Law Director Jenn Swallow, Planning Director Sylvester

Call to Order: 6:00

The committee voted to approve the minutes of the September 23rd meeting of the Housing Committee.

ORDINANCE 18-19 - AN ORDINANCE amending Chapter 1323, Registration of Contractors, of the Codified Ordinances of the City of Lakewood to require contractors registered with the City to receive a training or orientation to be provided by the City.

Chairman Anderson stated that he is still researching Ordinance 18-19. No action or deliberation to be taken tonight.

Communication from Councilmember George regarding demolition & re-build of homes

Chairman Anderson stated that there are no updates on this item at this time. No action or deliberation to be taken tonight.

Communication from Councilmember Litten regarding affordable housing.

Chairman Anderson noted that in light of Councilman Litten's recent communication, he wanted to receive an update on the administration's affordable housing strategy presented to Housing Committee at a meeting in March.

Mary Leigh delivered a presentation (attached) which detailed the administration's 7-point affordable housing strategy, and provided updates on the progress achieved since it was originally introduced.

1. Launch rental restoration program preserving affordability

- This program was launched in April and provides incentives to landlords to rent to low income residents. The program is flexible – there is no requirement that a property have a max or minimum number of units and any percentage of those units can enter the program (i.e. not all or nothing).
- **Status:** Currently 6 properties are in the pipeline. Significant has been outreach done to get the word out.
- **Challenges:** documenting renter income

2. Gap financing for rental development projects

- This is a program to provide HOME funding to developers/owners to incorporate affordable units into their buildings.
- **Status:** Despite many conversations with building owners and developers, the City has not yet identified an interested partner for this.
- **Challenges:** federal requirements, HUD fair market rents, construction, financing and maintenance costs.

3. Non-Profit partnerships

- The City has partnered with EDEN and Lakewood Community Service Center to help landlords seeking participation in the Rental Restoration Program to have easy access to income qualifying tenants.
- The City is also optimistic about potential partnership with Cleveland Housing Network, which has recently expanded to incorporate Neighborhood Housing Services. A meeting is planned for October 28th.

4. Home ownership opportunities for low and mod income households

- Ms. Leigh listed the recent properties that the City has acquired and re-sold to income-eligible buyers. The Committee discussed the process by which the City acquires these properties and process for rehabilitating them. Ms. Leigh explained that many have been vacant and in tax foreclosure. They come to the City's attention through the nuisance process, neighbors, Lakewood Alive, and other means. About 20-30 homes have been acquired, rehabbed, and sold through this process in the past ten years. Ms. Leigh will send a detailed list of these properties.

5. New affordable home construction

- Two new single-family homes are planned for construction in 2020 at 17450 Shaw & 12311 Plover. Ms. Leigh described the timeline and the process for these properties and explained that Planning may come before Council to seek approval for a design-build contract.

6. Connect property owners to resources and incentives

- Ms. Leigh described all the different types of outreach the City has performed to communicate about the Rental Restoration Program and other affordable housing initiatives. Methods include direct mail, water bill messages, social media, and others. The Planning Department staff expressed enthusiasm about a new program pending approval by the County to deliver energy efficiency improvements to residents. The program has proven effective on the commercial side.

7. Outreach & Advocacy to HUD by Administration and City Council

- Planning Department staff explained that they have met four times with CMHA in pursuit of partnering on Building inspections in order to make the process more streamlined for Lakewood landlords. CMHA will be putting out an RFP and the City is considering submitting a proposal. The Department really wants to figure

out how to work more closely with CMHA but there are a lot of regulations and bureaucracy to break through.

At the invitation of the Chair, Councilman Litten elaborated on his docket communication, which referenced a “hybrid” approach to affordable housing. He asked if the City could consider forgoing some tax revenues in order to incentivize affordable housing.

The Committee briefly discussed the idea of the City creating its own local version of the federal HOME program.

Planning Department communicated that they would have further updates for Council in November regarding affordable housing incentives for new construction.

Councilmember Anderson remarked on the need to ensure a strong quality of rental housing and guard against backsliding. He pointed out that margins are thin for many landlords and some will choose to defer maintenance while maintaining low rents.

Councilman O’Malley remarked that the demand for high-end housing is strong and that he strongly prefers that this demand be satisfied with new construction, rather than landlords removing stable tenants in order to renovate and raise rents – as he has seen happening in ward 4.

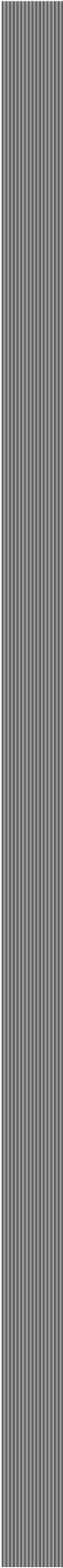
Housing Committee adjourned at approximately 7:00 p.m.

AFFORDABLE HOUSING STRATEGY

UPDATE

City of Lakewood
Department of Planning and Development





Summary of Action Steps

Action Step 1 – Launch Rental Restoration Program Preserving Affordability

Action Step 2 – Gap Financing for Rental Development Projects

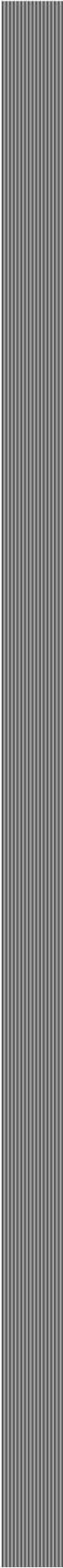
Action Step 3 – Non-profit partnerships

Action Step 4 – Homeownership opportunities for low and moderate income households

Action Step 5 – New Affordable Home Construction

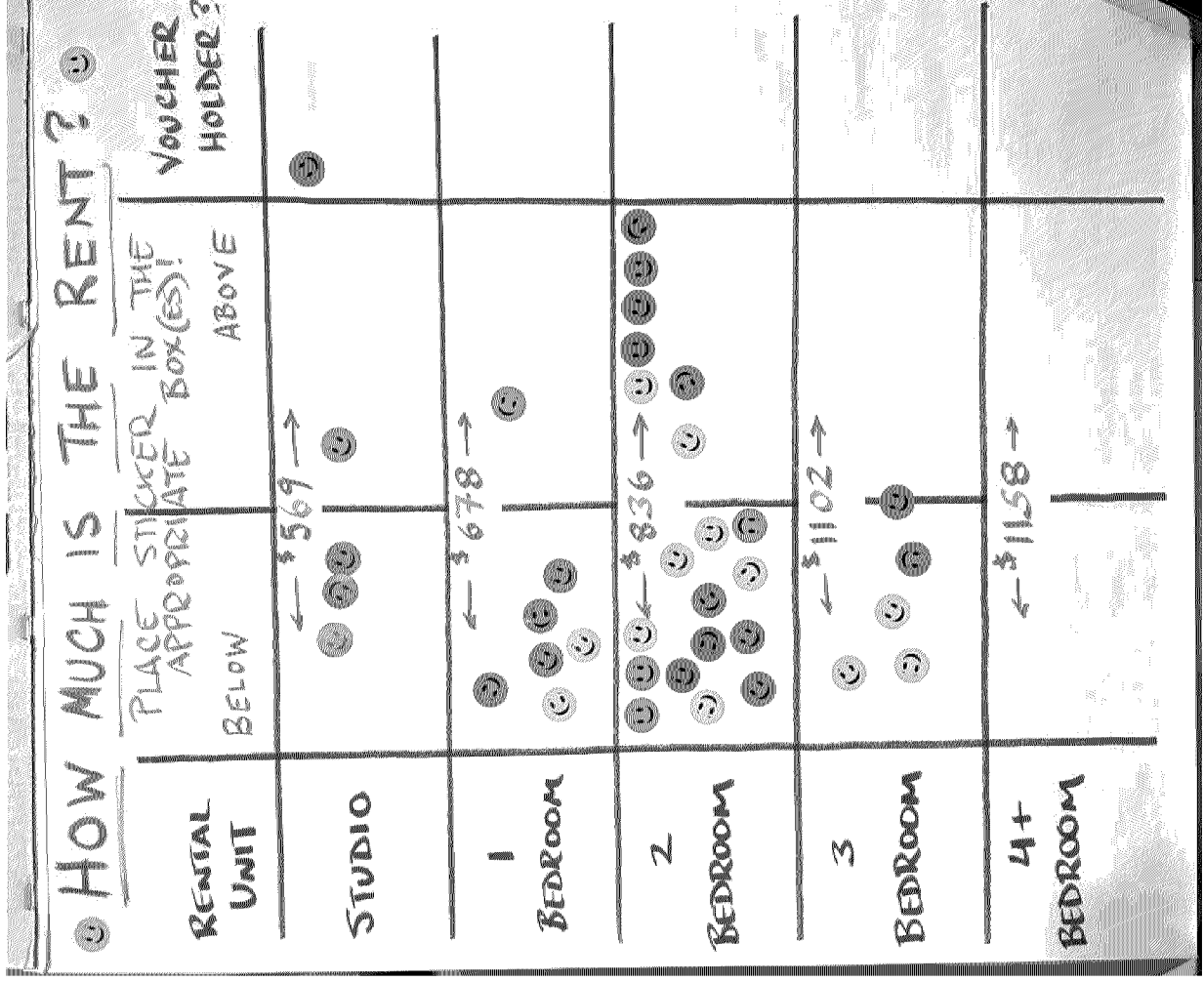
Action Step 6 - Connect property owners to resources and incentives

Action Step 7 - Outreach & Advocacy to HUD by Administration and City Council



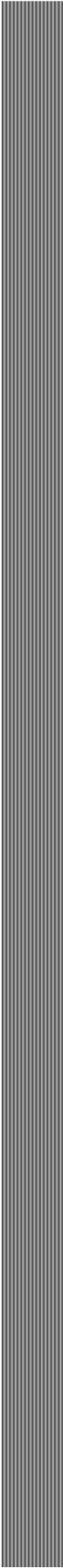
Action Step 1: Rental Restoration Program Launch

- Program launched April 29
- Mailings to landlords in low mod census tracts and those with existing voucher units
- 6 properties have applied
 - Biggest challenge has been documenting renter incomes
- Landlord meeting held September 25 with 28 landlords attending
 - Extensive outreach to landlords through City partners, mail and email
 - 8 landlords filled out pre-applications
 - Anticipate as many as six new applications based on feedback



Rents above and below HUD Fair Market Rents

We have existing, private market, affordable units.



Action Step 2: Gap Financing for Rental Development Projects

- Using HOME funds provide gap financing for rental projects that incorporate affordable units for low income households
- Several conversations with new building owners and developers, but so far have not found a partner
- Challenges include communicating and enforcing complicated federal tenant protections; HUD Fair Market rents; construction, financing and ongoing maintenance costs;



Action Step 3: Non-profit partnerships

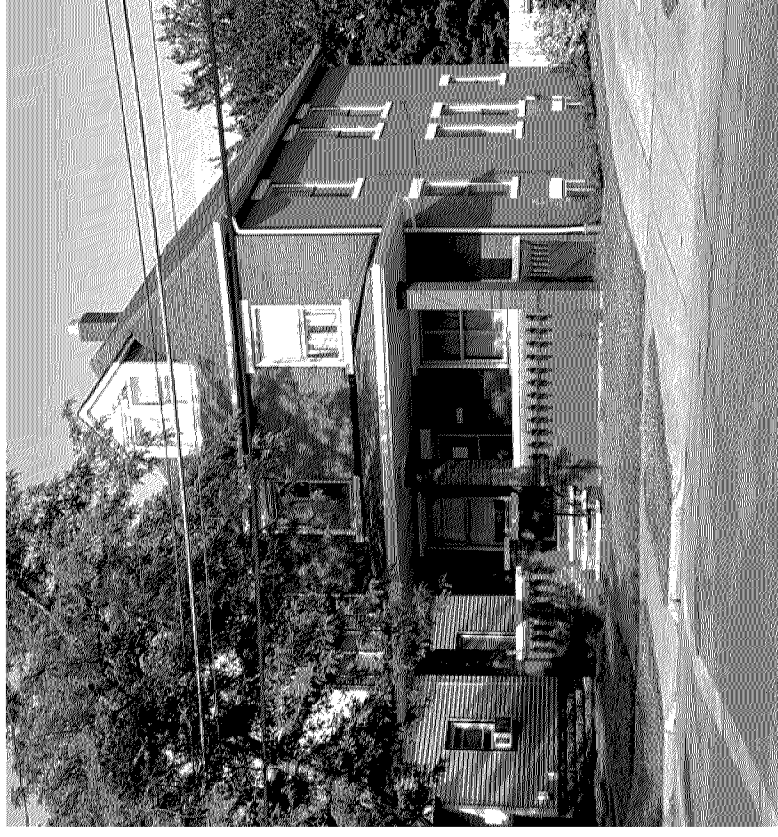
- Identified EDEN and Lakewood Community Service Center (LCSC) as non-profit partners for the Rental Restoration Program's ongoing affordability requirements.
- Both organizations can provide a steady stream of income eligible renters to assist landlords should they need assistance filling vacancies
- Meeting with CHN Housing Partners to discuss affordable housing development – October 28

Action Step 4: Homeownership opportunities for low and moderate income households

Acquire and rehab vacant, foreclosed properties, typically through tax foreclosure.

- 1477 Lauderdale recently was completed and sold to an eligible buyer.
- 1612 Orchard Grove is under construction and will be listed and sold to a low- and moderate-income households in early 2020

2048 Halstead will likely transfer to the City by year's end

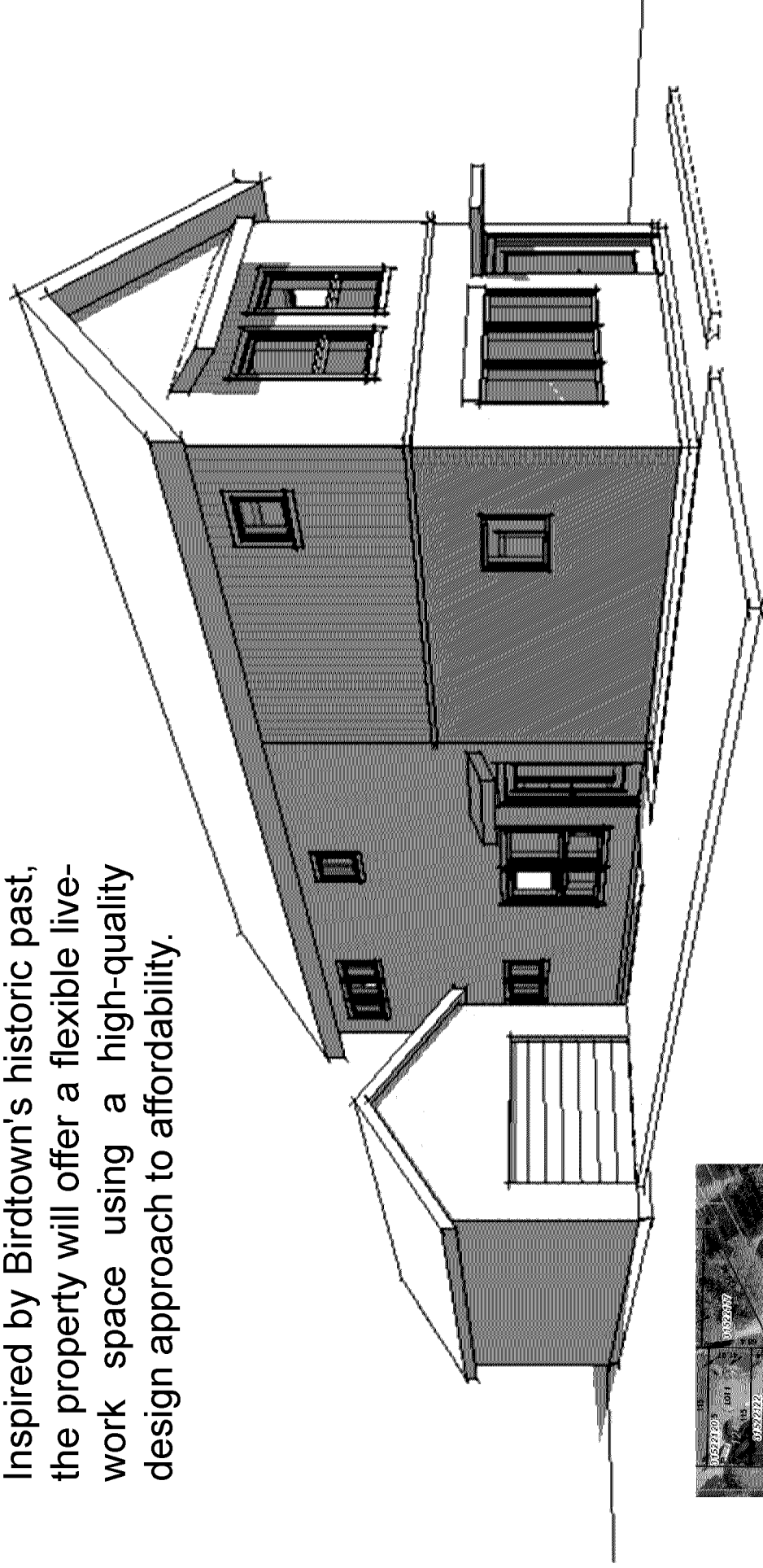




Action Step 5: New Affordable Home Construction

- 2 new single-family homes are being planned for construction in 2020. The City will solicit estimates beginning in November 2019.
 - 17450 Shaw single family home construction
 - 12311 Plover single family home construction

Inspired by Birdtown's historic past, the property will offer a flexible live-work space using a high-quality design approach to affordability.



17450 Shaw Ave

Using inclusionary design standards, the property will support independent living for those aging in place.

Additional features: Energy efficiency; wrap around front porch design; connection to community and nature.





Action Step 6: Connect property owners to resources and incentives

- Outreach to owner occupants
 - Water bill messages – included 3 times this year for all citywide customers
 - Direct mail – hundreds of mailers in the last 12 months
 - Summary of programs included with all correction notices
 - Social media
 - Lakewood Alive
- Outreach to landlords
 - Direct mail
 - Social media
 - Press Release
 - Email

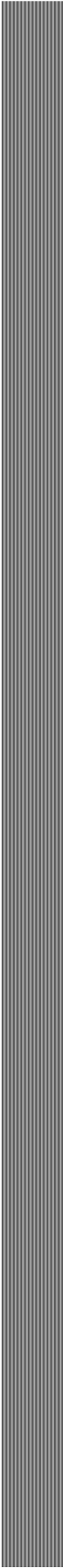
October Lakewood Life will reach 29,300 households & businesses



Action Step 6: Connect property owners to resources and incentives

Resources –

- City programs – Low Interest Loans, Rental Restoration, Home Improvement Grants
- Lakewood Alive Pride Fund & Paint Program
- HELP Loan – County sponsored, available to well qualified applicants regardless of income, residential improvements
- New resource coming soon (pending County approval)
 - Residential PACE Program for energy efficiency improvements
 - Insulation
 - Windows
 - Solar Panels
 - HVAC



Action Step 7: Outreach & Advocacy to HUD by Administration and City Council

- Met with CMHA four times to explore partnership opportunities and evaluate feasibility of a pilot program with Lakewood Building Department to improve the inspection process for landlords and voucher holders.
- Voucher unit inspection services being re-bid in 1st quarter of 2020 – Lakewood will be on the notification list and can submit a proposal.
- CMHA recently hired a mobility coordinator and will apply for a HUD program to improve outcomes for voucher landlords and tenants. The same program is currently being implemented in Seattle.

(Reference: <https://www.cleveland.com/news/2019/08/why-housing-vouchers-fail-to-help-clevelanders-escape-poverty-and-how-we-can-do-better-leila-atassi.html>)



Next steps and strategies

- Issue RFQ for Plover & Shaw new construction projects in November; break ground Spring 2020
- Execute Rental Restoration Program contract with Lakewood Avenue applicant (4 rental units) before end of year
- Continue regular outreach to landlords
- Execute contracts with EDEN and LCSC for Rental Restoration Program support services
- Follow up with CMHA on their timeline for issuing RFP for inspection services contract and explore all opportunities to improve tenant/landlord voucher program experience
- Introduce ordinance requesting authority to list & sell 1612 Orchard Grove
- Introduce residential PACE Program (energy efficiency upgrades to 1 – 4 units residential properties) to Council